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5 OCT 1976

MEMORANDUM FOR: Comptroller

FROM :
Chief, Procurement Management Staff, OL

VIA : Director of Logistics

SUBJECT : OMB Circular A-109, Major Systems Acquisitions

1. By memorandum of 11 June 1976, which was forwarded through the Deputy Director for Administration, the Director of Logistics requested that your Office accept responsibility for implementation of the subject Office of Management and Budget (OMB) Circular.

2. This memorandum is written to forward a 28 September 1976 memorandum from OMB which advises of progress by various agencies toward meeting objectives of the subject directive, along with progress reports on agencies and a list of acquisition executives.

3. The memorandum referred to in paragraph 2 is directly related to the subject Circular and therefore is referred to your Office for appropriate action.

Atts

cc: DD/A, w/atts ✓
OLC, w/atts

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OFFICE OF FEDERAL
PROCUREMENT POLICY

SEP 28 1976

MEMORANDUM FOR THE ATTACHED ADDRESSES

SUBJECT: OMB Circular No. A-109, Major Systems Acquisitions

On August 26, 1976, the Subcommittee on Federal Spending Practices, Efficiency and Open Government of the Senate Committee on Government Operations held hearings concerning the implementation of A-109. These hearings were very helpful in focusing attention to the many issues involved in the development of the agencies' time-phased action plans.

As we have discussed in the past, the following items may be useful as a check for the adequacy of your time-phased action plan to be submitted by October 5, 1976:

- ° Designation of acquisition executive.
- ° Definition of major systems including cost threshold(s) and other criteria for major systems.
- ° Schedule for identification and definition of mission areas and the process for gaining agency head approval of mission needs.
- ° Identification and scheduling of agency implementing policy directives, regulations, and guidelines.
- ° Scheduling of component implementing policy directives, regulations, and guidelines.
- ° Procedures for assignment of program managers and development of charters.
- ° Procedures for developing acquisition strategies.
- ° Policy regarding agency cost estimating capability.
- ° Date policies will be operative; e.g., when will all agency major systems begin with the first key decision point - approval of mission need.

- ° Training of agency personnel in new policies, procedures and improvements in skills that are required; for example, program management.

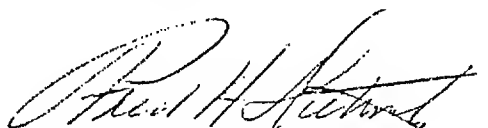
To further assist your planning efforts, I have attached a current list of acquisition executives, a summary of Agencies' Implementation Planning submitted by Mr. Witt during Senator Chiles' hearings, and a number of sample drafts of time-phased action plans and policies developed by some agencies. OFPP pamphlet #1 relating to the application of A-109, which also may assist in your planning efforts, has been sent to you under separate cover.

We would appreciate receiving copies of your directives, circulars, procedures or other issuances, which will be used to implement the Circular prior to their promulgation.

In the event you have further questions relating to your time-phased action plan, please contact Mr. William Hunter of my staff, who can be reached on 395-3367 or me on 395-4677.

Your continued cooperation is truly appreciated.

Sincerely,



Fred H. Dietrich
Assistant Administrator
for Systems Acquisition

Attachments

Mr. Edmund Alvarez
Director, Office of Operations
Department of Agriculture
Washington, D.C. 20250
STOP 209

Chief, Procurement Management Staff
Office of Logistics
Central Intelligence Agency
Washington, D.C. 20505
STOP 64

25X1A

Mr. Donald J. Biglin
Director, Bureau of Management
Services
Civil Service Commission
1900 E Street, N.W., Room 5554
Washington, D.C. 20415
STOP 227

Mr. George F. Merlino
Deputy Director for Program
Development
Office of Administrative Services
and Procurement, Room 6859
Department of Commerce
Washington, D.C. 20230
STOP 206

Mr. Joseph G. Berke
Chief, Procurement Programs
Experimental Technology Incentives
National Bureau of Standards
Administration Bldg., Room A-738
Washington, D.C. 20234
STOP 3

Mr. Dale R. Babione
Deputy Assistant Secretary
of Defense (Procurement)
OASD (I&L), The Pentagon, Room 3E760
Washington, D.C. 20301
STOP 103

Mr. Michael J. Tashjian
Director of Procurement
Energy Research and Development
Administration
Washington, D.C. 20545
STOP 4

Mr. William E. Mathis
Director, Contracts Management
Division (PM 214)
Environmental Protection Agency
401 M Street, S.W., Room 2003
Washington, D.C. 20460
STOP 460

Mr. William B. Ferguson
Director of Procurement
Federal Energy Administration
The Federal Building, Room 8435
Washington, D.C. 20461
STOP 461

Mr. Terry Chambers
Deputy Administrator
General Services Administration
Washington, D.C. 20405
STOP 29

Mr. Paul A. Stone
Deputy Assistant Secretary for Grants
and Procurement Management
Department of Health, Education,
and Welfare
Room 513-D, South Portal Building
Washington, D.C. 20201
STOP 367

Mr. Thomas R. Whittleton
Director, Office of Procurement
and Contracts
Department of Housing and Urban
Development
451-7th St., S.W., Room B-133
Washington, D.C. 20410
STOP 98

Mr. James E. Johnson
Assistant Director for Procurement
Office of Management Services
Department of the Interior
Washington, D.C. 20240
STOP 43

Mr. Irving Jaffe
Deputy Assistant Attorney General
Civil Division, Room 3607
Department of Justice
Washington, D.C. 20530
STOP 219

Mr. Walter C. Terry
Director, Office of Grants, Procurement
& ADP Management Policy
Department of Labor, Room S-1325
Washington, D.C. 20210
STOP 205

Mr. Stuart J. Evans
Assistant Administrator for
Procurement
National Aeronautics and Space
Administration
Washington, D.C. 20546
STOP 85

Mr. Eldon Taylor
Assistant Director for Administration
National Science Foundation
1800 G Street, N.W., Room 525
Washington, D.C. 20550
STOP 19

Mr. Edward L. Halman
Director, Division of Contracts
Nuclear Regulatory Commission
Washington, D.C. 20555
STOP 555

Mr. Thomas M. Constant
Assistant to the Governor
Canal Zone Government
Panama Canal Company
425-13th Street, N.W., Room 312
Washington, D.C. 20004

Dr. George Lenches
Director, Office of Planning
and Development
Renegotiation Board
2000 M Street, N.W.
Washington, D.C. 20446

Mr. Harold N. Fletcher
Associate Administrator for Procurement
Small Business Administration
1441 L Street, N.W.
Washington, D.C. 20416
STOP 71

Mr. Thaddeus J. Figura
Chief, Supply & Transportation Division
Department of State
Room 532, SA-6
Washington, D.C. 20520
STOP 27

Mr. Clarence G. Snyder
Chief, Policy Branch
Office of Contract Management
Agency for International Development
Department of State
Washington, D.C. 20523
STOP 100

Mr. Barnett M. Anceleitz
Director, Installations & Logistics
Department of Transportation
Washington, D.C. 20590
STOP 330

Mr. Thomas P. O'Malley
Assistant Director
Office of Administrative Programs
(Procurement & Personal Property Mgt)
Department of the Treasury
1331 G Street, N.W., Room 900
c/o Main Treasury Mail Room
15th & Pennsylvania Avenue, N.W.
Washington, D.C. 20220
STOP 223

Mr. James T. McIlwee
Chief, Contract & Procurement Division
Office of Administration
United States Information Agency
Washington, D.C. 20547
STOP 121

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Mr. Clyde G. Gork
Director, Supply Service
Department of Medicine and Surgery
Veterans Administration
Washington, D.C. 20420
STOP 73

Mr. Daniel M. Steckler
Office of the Comptroller
Federal Power Commission
Washington, D.C. 20426
STOP 22

Mr. Frank Battle
Management and Finance Office
Department of Justice
Washington, D.C. 20530
STOP 219

Mr. Alfred L. Esposito
Defense Science Board
ODDR&E, The Pentagon, Room 3D1040
Washington, D.C. 20301
STOP 103

Mr. Steven Dola (DAEN-CS-SA)
Office of the Assistant Secretary
of the Army (Civil Rights)
Forrestal Bldg., Room 4G-026
Washington, D.C. 20314
STOP 391

cc:

Mr. Harry P. Barton
Director, Office of Supply Services
Smithsonian Institution
Amtrak Building, Room 3120
955 L'Enfant Plaza, S.W.
Washington, D.C. 20024

Mr. Eugene A. Keller
Assistant for Procurement Policy
Procurement and Supply Department
United States Postal Service, Rm. 1512
Washington, D.C. 20260

Mr. James L. Williams, Jr.
Director, Division of Purchasing
Tennessee Valley Authority
Chattanooga, Tennessee 37401

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WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

August 26, 1976

SUMMARY OF AGENCIES' IMPLEMENTATION PLANNING

OMB Circular A-109, Major System Acquisitions

The following is a brief summary from executive agencies of current status and planned actions leading to their submission of time-phased implementation action plans by October 5, 1976.

Agriculture, Dept. of

- Identification of need is left to policy staff, including the Secretary, Under Secretary, Assistant Secretary, and Director, Agriculture Economics.
- MSA dollar threshold has been established at \$10 million or more.
- Schedule of actions in implementing A-109 is as follows:
 - a. Draft chapter to be included in Administrative Regulation. Completed
 - b. Request comments on proposed chapter insertion. Completed
 - c. Make necessary modifications and obtain approval by acquisition executive. Aug. 15
 - d. Publish plan. Sep. 1
 - e. Submit plan to OFPP. Sep. 1

Commerce, Dept. of

- Schedule of actions for supporting the implementation of the Circular:
 - a. Complete review of draft Department Administrative Orders 208-1 and 208-3 by OFPP and Department. Sep. 3
 - b. Publication and issuance of the Orders implementing A-109. Sep. 10

- c. Formulation of draft time-phased action plan. Oct. 1
- d. Submission of time-phased action plan per A-109. Oct. 5

Defense, Dept. of

- The analysis of A-109 and previous direction given by Mr. Clements will be incorporated in a top document.
- 5000.1 and 5000.2 will be restructured to include all A-109 items and will be supported by a family of documents.
- The time-phased action plan submitted to OFPP. Aug. 26
- Finalization of 5000.1. Dec. 1
- Finalization of 5000.2. Jan. 15, 1977
- Finalization of all documents implementing A-109. March, 1977

Health, Education, & Welfare, Dept. of

- Issuance of Department policy directives, regulations, and guidelines:
 - a. Identification of proposed acquisition to be treated as major system acquisitions.
 - b. Major system acquisition planning.
 - c. Major system acquisition strategy tailoring.
 - d. Major system acquisition program managers.
 - e. Major system acquisition key decision points.
- Designation of the acquisition executive.
- These actions will be projected in a top document outlining the proposed implementation plan in terms of the functions to be served by them. Oct. 5
- Target date for completion of these actions - Apr. 5, 1977

Housing and Urban Development, Dept. of

- Task force has been organized to compare present directives to A-109 - develop plan. Completed
- Submission of time-phased action plan. Oct. 5
- Anticipate an amendment to the HUD Procurement Regulations be published. Oct. 30

Interior, Dept. of the

- Schedule of actions in implementing A-109 is as follows:
 - a. Complete preliminary draft of regulations. Sep. 1
 - b. Apointing acquisition executive. Oct. 5
 - c. Publish implementing regulations. Oct. 5
 - d. Submit time-phased action plan. Oct. 5
 - e. Begin triennial review of FY 1979 budget process. Dec. 5

Labor, Dept. of

- Tentative dollars of MSA threshold is set at \$500,000 or more.
- Formation of draft policy. Completed
- Office of the Assistant Secretary for Administration and Management approval Completed
- Department approval Sep. 7
- Submission of time-phased action plan. Oct. 5

State, Dept. of

- Draft submitted to OMB. Completed
- Departmental approval. Sep. 17
- Submittal of approved time-phased action plan. Sep. 24

Transportation, Dept. of

- A task force has been set up.
- The Assistant Secretary for Administration has been tentatively designated the acquisition executive.
- The Office of Installations and Logistics within the Department of Transportation is in the process of re-writing the DOT Order on major systems acquisitions to conform to OMB Circular A-109. The following tentative schedule applies to this process:
 - a. Initial draft completed and submitted to a committee of procurement, budget and program representatives for informal review. Completed
 - b. Office of Installations and Logistics incorporates informal review comments into a final draft. Completed
 - c. Final draft completed and distributed throughout the Department for formal comment. Sep. 1
 - d. Implementation of revised DOT Order on major systems acquisition. Oct. 1
 - e. Submission of time-phased plan to OFPP. Oct. 5

Treasury, Dept. of the

- Major system thresholds:
 - a. ADP system over \$10 million.
 - b. Construction projects over \$10 million.
- A-109 has been closely reviewed by budget, program analysis.
- Schedule of actions in implementing A-109 is as follows:

- a. Draft of Departmental directive to be circulated to appropriate top management officials. Completed
- b. Comments received, reviewed and, as needed, incorporated in revised directive. Aug. 30
- c. Directive issued throughout Treasury. Sep. 15
- d. Submission of time-phased plan to OFPP. Oct. 5

Energy Research and Development Administration

- Task force set up and two subgroups formed:
 - a. One group represents planning, budgeting, analysis and other functional offices. They are developing guidance in support of paragraphs 10, 13 and 14 of A-109.
 - b. Other group represents fossil and nuclear energy and other technical groups.
- The object of subgroups is to submit a plan to the task force. Completed
- Task force will develop time-phased action plan by mid-September and final plan to be submitted to OFPP. Oct. 5

Environmental Protection Agency

- Formation of task force to establish policy. Completed
- Draft of time-phased action plan. Oct. 1
- Time-phased action plan submitted to OFPP. Oct. 5

General Services Administration

- Establish office responsible for preparation of A-109 plan and its implementation. Completed
- Establish GSA system acquisition committee to participate in developing plan. Sep. 8
- Draft the GSA A-109 plan. Sep. 24
- Complete final form of plan and submit to OFPP. Oct. 5

National Aeronautics and Space Administration

- A committee was organized.
- Currently comparing A-109 to existing documents and a matrix has been developed.
- NASA intends to develop a top document by extracting from existing procedures.
- The production phase of the acquisition process is not a problem at NASA.
- The time-phased action plan will be submitted. Oct. 5
- Provisions of subordinate NASA issuances referenced and involved in a top policy document planned to be completed. Dec. 31

National Science Foundation

- Draft implementing circular to be completed. Aug. 31
- Comments will be received. Sep. 10
- Time-phased action plan to be submitted. Oct. 5

Veterans Administration

- The Assistant Administrator for Planning and Evaluation has been designated the acquisition executive.
- Schedule of actions supporting the implementation of the Circular:
 - a. All directives relevant to major system acquisitions and proposed changes in implementing A-109 will be submitted by the committee to the acquisition executive. Aug. 16
 - b. Each member of the committee is to submit a draft of goals and changes to implement the time-phased plan. Aug. 30
 - c. Committee to commence drafting an agency time-phased plan. Sep. 6
 - d. Final plan to be submitted to OFPP. Oct. 5

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OFPP

ACQUISITION EXECUTIVES

PHONEAGRICULTURE, Dept. of

Mr. J. Paul Bolduc
Assistant Secretary for Administration
Department of Agriculture
Washington, D.C. 20250 STOP 209

447-3291

CIA

Mr. James H. Taylor
Comptroller
Central Intelligence Agency
Washington, D.C. 20505 STOP 64

STAT

COMMERCE, Dept. of

Mr. Joseph E. Kasputys
Assistant Secretary for Administration
Department of Commerce
Washington, D.C. 20230 STOP 206

377-4951

DOD

Honorable William P. Clements, Jr.
Deputy Secretary of Defense
The Pentagon
Washington, D.C. 20301 STOP 103

695-6352

Alternate

Dr. Malcolm R. Currie
Director of Defense Research
and Engineering
Department of Defense
The Pentagon, Room 3E1006
Washington, D.C. 20301 STOP 103

697-9111

PHONEERDA

Mr. Robert W. Fri 376-4024
Deputy Administrator
Energy Research and Development
Administration
Washington, D.C. 20545 STOP 4

EPA

Mr. Alvin L. Alm 755-2900
Assistant Administrator for
Planning and Management
Environmental Protection Agency
Washington, D.C. 20460 STOP 460

GSA

Mr. Terry Chambers 566-1226
Deputy Administrator
General Services Administration
Washington, D.C. 20405 STOP 29

HUD

Mr. Vincent J. Hearing 755-6417
Deputy Assistant Secretary
for Administration
Department of Housing and
Urban Development
Washington, D.C. 20410 STOP 98

LABOR, Dept. of

Mr. Fred G. Clark 523-9086
Assistant Secretary for
Administration and Management
Department of Labor
Washington, D.C. 20210 STOP 205

PHONENASA

Dr. Walter C. Williams
NASA Chief Engineer
National Aeronautics and
Space Administration, Code D
Washington, D.C. 20546 755-3572
STOP 85

NSF

Mr. Gaylord Ellis
Director, Division of Grants
and Contracts
National Science Foundation
Washington, D.C. 20550 632-5772
STOP 19

TRANSPORTATION, Dept. of

Mr. William S. Heffelfinger
Assistant Secretary for Administration
Department of Transportation
Washington, D.C. 20590 426-2332
STOP 330

TREASURY, Dept. of the

Mr. Warren F. Brecht
Assistant Secretary (Administration)
Department of the Treasury
Washington, D.C. 20220 964-5391
STOP 223

USIA

Mr. Edward J. Nickel
Assistant Director (Administration
and Management)
United States Information Agency
Washington, D.C. 20547 632-4990
STOP 121

VA

Mr. Edwin L. Arnold
Assistant Administrator
for Planning and Evaluation
Veterans Administration
Washington, D.C. 20420 389-2608
STOP 73

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